



Required Report - public distribution

Date: 12/3/2002

GAIN Report #IT2025

Italy

Citrus

Annual

2002

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Report Highlights:

Total Italian citrus output for the 2002/2003 marketing year is forecast at 2.735 million tons, or 11% less than in 2001/2002. The significant decline is due to extremely unfavorable weather conditions that lowered fresh orange production by 15 percent. In 2002/2003 Italian orange juice production is forecast to decline due to a reduced supply of fruit for processing. Italian citrus exports continued the decline seen since 2000 /2001. Even with large domestic supplies such as in 2001, Italian citrus exports are becoming more and more marginal because of the industry's inability to keep pace with competitive pressures.

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SITUATION AND OUTLOOK

According to the Italian Section of the Mediterranean Citrus Committee (CLAM), total Italian citrus output for the 2002/03 marketing year is forecast 2.735 million tons, or 11% less than in 2001/2002. This significant decline is due to extremely unfavorable weather conditions that affected the orange and tangerine crops during spring and summer 2002. Because lemons are harvested throughout the year, unfavorable weather conditions only marginally affected them. Area planted to both oranges and lemons continues to decline, mainly due to the chronic market crisis affecting Italian citrus industry.

The breakdown of production is as follows:

Oranges:	1, 551	000 Tons
Lemons:	572	
Mandarins	134	
Clementines	385	
Grapefruits	43	
Other citrus	50	
Total:	2,735	

Most of the Italian orange crop is located in Sicily whereas all other citrus are cultivated across Italy's southern regions, Sicily, Calabria, Apulia and Campania. Grapefruit production is increasing across the region as citrus producers replace their "blonde" orange crop and lemon crop with more lucrative grapefruit trees. Most of the newly planted grapefruits are pink varieties to meet consumer demand for sweeter grapefruit. However, in 2002/2003 a production decline is expected for grapefruit, due to the same unfavourable weather conditions that affected the orange and tangerine crops.

Italian citrus exporters have lost market share in the European market due to strong competition from Spain. Italian citrus industries have not been able to effectively market their products according to the needs of the large distribution companies in Italy and Northern and Eastern Europe. The one exception is the blood orange varieties such as Tarocco – a typical Italian orange variety with red pulp that is unique to Sicily. However, marketing the Tarocco is also limited by the short harvest season (Dec-Mar) and the industry's inability to capitalize on its uniqueness to build a strong seasonal demand.

Tangerine planted area has recently been trending upwards as many growers substitute clementines for mandarins. Consumers preferences for seedless clementines underlies the trend. However Spanish clementine production has recently begun competing heavily with Italian clementines in the European market and inside the Italian market as well.

Citrus fruit consumption in Italy is variable, depending on supply and price. In 2002/2003 citrus consumption is forecast to decline as tighter suppliers put pressure on prices. Grapefruit consumption is

revised sharply for FY 2001/02 due to a change in the official statistics. Overall the trend continues upwards.

In 2002/2003 Italian orange juice production is forecast to decline due to lack of supply of fruit for processing. Stocks remain large in Italy, although part of them result from an historical accumulation of exaggerated production claims by producers in order to receive more subsidies from Brussels. Citrus producers are organized into producer associations that benefit from EU subsidies for fruits delivered to processing plants. The EU provides subsidies through producer associations according to the EU fruit and vegetable regime, EU Reg.2202/96.

(See reports IT 1028 and IT 0037). Citrus fruits delivered to processors consist mainly of fruits that are in excess, or not of high enough quality for the fresh market.

Production of fresh non-concentrated orange juice (single strength) is growing in Italy due to larger consumer demand. Consumers consider this kind of orange juice to be a healthier, or higher quality product. The demand for this type of juice, which is produced almost exclusively with domestically produced oranges, may lead to more fruit produced specifically for the juice sector.

Perpetual problems in the market organization of the Italian citrus industries are having a profound impact on the Italian market. Exports are declining (even when domestic supply is large such as in 2001/2002) and imports are growing. Only blood orange varieties such as Tarocco and Clementines have a good market share on the European market. Italian imports of orange juice remain quite stable. They come almost exclusively from Brasil after being reprocessed in North European ports of entry.

Note: Italian orange juice exports increased in 2001 and are forecast to increase in 2002, too. For 2003 they are forecast to remain stable despite a reduced domestic output.

Numbers in orange juice PS&D tables are converted into 65 Brix degrees whereas the trade matrix is expressed in total of quantities supplied by the National Statistical Institute.

PSD TABLES

FRESH ORANGES

PSD Table						
Country	Italy					
Commodity	Fresh Oranges				(HECTARES)(1000 TREES)(1000 MT)	
	Revised	2000	Preliminary	2001	Forecast	2002
	Old	New	Old	New	Old	New
Market Year Begin		11/2000		11/2001		11/2002
Area Planted	0	110000	0	108000	0	10800
Area Harvested	0	107000	0	106000	0	106000
Bearing Trees	0	0	0	0	0	0
Non-Bearing Trees	0	0	0	0	0	0
TOTAL No. Of Trees	0	0	0	0	0	0
Production	1800	1800	1935	1829	0	1551
Imports	59	59	60	65	0	90
TOTAL SUPPLY	1859	1859	1995	1894	0	1641
Exports	143	143	150	129	0	106
Fresh Dom. Consumption	1106	1106	1145	1145	0	965
Processing	610	610	700	620	0	570
TOTAL DISTRIBUTION	1859	1859	1995	1894	0	1641

LEMONS

PSD Table						
Country	Italy					
Commodity	Fresh Lemons				(HECTARES)(1000 TREES)(1000 MT)	
	Revised	2000	Preliminary	2001	Forecast	2002
	Old	New	Old	New	Old	New
Market Year Begin		10/2000		10/2001		10/2002
Area Planted	0	35000	0	35000	0	34000
Area Harvested	0	35000	0	35000	0	34000
Bearing Trees	0	0	0	0	0	0
Non-Bearing Trees	0	0	0	0	0	0
TOTAL No. Of Trees	0	0	0	0	0	0
Production	610	610	537	571	0	572
Imports	67	41	70	61	0	60
TOTAL SUPPLY	677	651	607	632	0	632
Exports	36	33	33	22	0	19
Fresh Dom. Consumption	245	222	218	288	0	290
Processing	396	396	356	322	0	323
TOTAL DISTRIBUTION	677	651	607	632	0	632

TANGERINES

PSD Table						
Country	Italy					
Commodity	Fresh Tangerines				(HECTARES)(1000 TREES)(1000 MT)	
	Revised	2000	Preliminary	2001	Forecast	2002
	Old	New	Old	New	Old	New
Market Year Begin		11/2000		11/2001		11/2002
Area Planted	0	35000	0	37000	0	37000
Area Harvested	0	34000	0	35000	0	35000
Bearing Trees	0	0	0	0	0	0
Non-Bearing Trees	0	0	0	0	0	0
TOTAL No. Of Trees	0	0	0	0	0	0
Production	592	592	636	611	0	519
Imports	57	56	53	65	0	80
TOTAL SUPPLY	649	648	689	676	0	599
Exports	76	74	79	71	0	58
Fresh Dom. Consumption	375	376	400	475	0	431
Processing	198	198	210	130	0	110
TOTAL DISTRIBUTION	649	648	689	676	0	599

GRAPEFRUIT

PSD Table						
Country	Italy					
Commodity	Fresh Grapefruit				(HECTARES)(1000 TREES)(1000 MT)	
	Revised	2000	Preliminary	2001	Forecast	2002
	Old	New	Old	New	Old	New
Market Year Begin		06/2000		06/2001		06/2002
Area Planted	0	1400	0	1400	0	1600
Area Harvested	0	1000	0	1200	0	1400
Bearing Trees	0	0	0	0	0	0
Non-Bearing Trees	0	0	0	0	0	0
TOTAL No. Of Trees	0	0	0	0	0	0
Production	20	20	30	51	0	43
Imports	30	30	30	37	0	40
TOTAL SUPPLY	50	50	60	88	0	83
Exports	5	5	8	6	0	0
Fresh Dom. Consumption	40	40	45	79	0	80
Processing	5	5	7	3	0	3
TOTAL DISTRIBUTION	50	50	60	88	0	83

ORANGE JUICE

PSD Table						
Country	Italy				Degrees Brix	
Commodity	Juice, Orange				(MT)	
	Revised	2000	Preliminary	2001	Forecast	2002
	Old	New	Old	New	Old	New
Market Year Begin		01/2001		01/2002		01/2003
Deliv. To Processors	610	610	700	620	0	570
Beginning Stocks	15000	15	11000	17	8000	16
Production	38000	38	43000	40	0	38
Imports	30000	40	28000	40	0	40
TOTAL SUPPLY	83000	93	82000	97	8000	94
Exports	41000	43	42000	45	0	45
Domestic Consumption	31000	33	32000	36	0	38
Ending Stocks	11000	17	8000	16	0	11
TOTAL DISTRIBUTION	83000	93	82000	97	0	94

TRADE MATRIXES

FRESH ORANGES

Exports

Export Trade Matrix			
Country	Italy		
Commodity	Fresh Oranges		
Time period		Units:	MT
Exports for:	2000		2001
U.S.	504	U.S.	
Others		Others	
GERMANY	45215	GERMANY	37796
AUSTRIA	21079	AUSTRIA	17914
BELGIUM	4445	BELGIUM	3608
FRANCE	5894	FRANCE	3855
SWITZERLAND	20057	SWITZERLAND	16542
SWEDEN	3481	POLAND	6993
CZECK REP	6963	CZECK REP	4832
U.K.	2010		
TOT			
Total for Others	109144		91540
Others not Listed	33272		37949
Grand Total	142920		129489

Imports

Import Trade Matrix			
Country	Italy		
Commodity	Fresh Oranges		
Time period		Units:	MT
Imports for:	2000		2001
U.S.		U.S.	
Others		Others	
NETHERLAND	6987	Netherlands	3250
SPAIN	35125	Spain	41949
S.AFRICA	3463	S. Africa	8461
FRANCE	5740	France	3930
Total for Others	51315		57590
Others not Listed	7839		7311
Grand Total	59154		64901

ORANGE JUICE

Exports

Export Trade Matrix			
Country	Italy		
Commodity	Juice, Orange		
Time period		Units:	MT
Exports for:	2000		2001
U.S.	405	U.S.	
Others		Others	
GERMANY	11163	GERMANY	13222
NETHERL	3740	NETHERL	4001
FRANCE	8011	FRANCE	7053
BELGIUM	6737	BELGIUM	7722
		SPAIN	2952
		AUSTRIA	2626
Total for Others	29651		37576
Others not Listed	9870		7530
Grand Total	39926		45106

Imports

Import Trade Matrix			
Country	Italy		
Commodity	Juice, Orange		
Time period		Units:	MT
Imports for:	2000		2001
U.S.	117	U.S.	
Others		Others	
NETHERL.	12010	NETHERL	12045
GERMANY	10144	GERMANY	13803
AUSTRIA	9547	AUSTRIA	9789
SPAIN	2543	BELGIUM	8488
BELGIUM	4972		
Total for Others	39216		44125
Others not Listed	4057		6259
Grand Total	43390		50384

